Montessori Model United Nations

MMUN 2012

General Assembly Second Committee
Economic and Financial
(ECOFIN)

Dear Delegates,

It is a pleasure to welcome you to the 2012 Montessori Model UN and specifically to the United Nations Committee on Economic and Financial, commonly referred to as the ECOFIN. The following pages intend to guide you in the research of the topics that will be debated at MMUN 2012 in committee sessions. Please note - this guide only provides the basis for your investigation. It is your responsibility to find as much information necessary on both the topics - how they relate to the country you represent. Such information should help you write your Position Paper, where you need to cite the references in the text and finally list all references in the Modern Language Association (MLA) format.

The MLA format may or may not be strictly adhered to in this Background Guide because the primary purpose is to provide you the initial launching pad to pursue your research on the two topics. The more information and understanding you acquire on the two topics, the more you will be able to influence the Resolution writing process – through debates [formal and informal caucuses], and the MMUN experience as a whole. Please feel free to contact me if and when you face challenges in your research or formatting your Position Papers.

We encourage you to learn all you can about your country first with regard to the two selected topics and both committee members need to be well versed in each topic.

Enjoy researching and writing your Position Papers. We look forward to seeing you in New York!

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History:

The Economic and Financial Committee is one of six committees that constitute the United Nations General Assembly. The United Nations Economic and Financial Committee, otherwise known as the Second Committee of the General Assembly or ECOFIN, handles issues relating to development, financial sustainability, and economic cooperation between states. The committee has 18 functional programs, departments, organizations, and commissions and is composed of all member states. (Model United Nations) Non-Governmental Organizations (NGO’s) and international organizations can sit in on meetings and give their input. ECOFIN works in coordination with the World Bank and IMF (International Monetary Fund) to promote economic sustainability and welfare. At the sixty fourth session, the committee took action on 45 draft proposals, and is expected to do the same this year. (Model United Nations) These proposals covered a wide variety of economic and socio-economic issues, including third world sustainable development.

Purpose and mission statement:

The Economic and Financial Committee of the General Assembly (ECOFIN) serves as one of the primary forums for the members of the United Nations to tackle the global financial issues that face the global economy. This is evident in the way in which black market dealings or debt crises in one corner of the world can profoundly affect the economic well-being in another corner.

In particular, ECOFIN’s focus is on the first of the Millennium Development Goals (MGD’s), which calls for the eradication of poverty. This goal is divided into three general targets for improvement: to halve the number of people living under one dollar a day, to achieve full and productive employment and decent work for all (including women and young people), and to halve the proportion of people who suffer from hunger. (Millennium Developmental Goals) The current Chair of the Second Committee, Ms. Enkhtsetseg Ochir, stated that the Committee must make better use of its discussions to contribute to the follow-up to the recent MDG Summit and expedite the realization of the Goals by 2015. (Second Committee)
Membership and authority:

The committee offers suggestions to member countries on macroeconomic policy relating to economic growth, international trade, and debt sustainability. With the recent economic downturn, ECOFIN has been persuading states to make economic policies that are beneficial not only to themselves, but the whole international system. The failed regulation of international markets has caused uproar of protectionist and isolationist tendencies within nations, a trend that is troubling to say the least. Premature austerity policies—debt reduction by cutting spending—has become a prevalent action for debt ridden states. The Committee fears that an “early retreat from stimulus packages may pose a risk of plunging economies into a new recession.” (Second Committee) Additionally, the importance of balancing budgets should not come at an enormous expense to the social services of citizens, as the Committee believes “special efforts must be made to ensure the social needs of vulnerable groups are still met.” Budget cuts are a necessary tool for austerity and debt reduction policies; however, the Committee attempts to limit the ill effects on impoverished and endangered peoples.

The responsibility of the Committee is to promote general economic development, but in a sustainable manner. Development is an important tool for the eradication of poverty; however, it must be done with environmental sustainability in mind. Fossil fuels such as carbon dioxide have caused unmitigated environmental damage due to the use of oil and coal. Both resources are cheap forms of energy, yet cause substantial environmental damage, most notably contributing to anthropogenic climate change. The Rio Summit emphasized the Committee’s belief in sustainable development, furthering the United Nations commitment to both development and accordance with the Kyoto protocols, which are intended to significantly reduce CO2 emissions.

The Second Committee of the General Assembly’s goal is to help eradicate poverty through development. Development must be done responsibly to not harm the environment. Environmental damage from climate change would have a disproportionate effect on those in developing countries; therefore it is in their interests to develop in a sustainable fashion.

Delegates are challenged to broker solutions from the diverse ideas and viewpoints of the General Assembly, with a focus on building consensus. Decisions made by the committee take the form of written resolutions, which in most cases are adopted by acclamation or a simple majority vote.
Topic I: Supporting and Ameliorating International Trade, Especially between Countries of the Southern Hemisphere

Introduction:

International trade is the exchange of wealth, goods and services across international borders. Data from the World Trade Organization (WTO) shows that trade between and within countries in 2009 totaled $12178 billion. Of this amount, North America, Europe and Asia traded $10193 billion, which is 84.8% of the total value. Countries in the Southern hemisphere, specifically countries in Africa, and South and Central America, traded goods worth $843 billion, which is only 6.8% of the total trade. These figures show that there are great inequalities in international trade, with countries in the Northern hemisphere performing better than countries in the Southern hemisphere.

Background:

International trade has existed throughout history. With globalization, which is the removal of national borders to connect countries in all areas of life, international trade has become more important than ever. To produce cheaper goods to be more competitive in the global business, production processes are being split and located in different countries. A natural resource can be harvested in one country, manufactured in another, and sold in yet another country. As a result, countries depend more on imports, and economic activity in one country can heavily affect economic activity in another. It is therefore beneficial to all if countries work together to support and ameliorate international trade to strengthen economies and reduce the effects of recessions.

However, increased international trade does not guarantee that countries involved benefit equally from the wealth gained. Inequality in international trade is partly worsened by different needs of developed and developing countries. Developed countries wish to protect their home industries by imposing quotas on imported goods and increasing tariffs (taxes on imports). Developing countries, on the other hand, lack the expertise and funding to break into the global market. Their contrasting needs make it difficult for them to trade equally, with most of the wealth going to developed countries that are more powerful in deciding the terms of trade. To counter this, developing nations are trying to increase trade among themselves by sharing knowledge, technical assistance, and investments. This is important as increased international trade between countries in the South will not only strengthen their own economies but will also benefit the global economy.

Possible Solutions:

The World Trade Organization (WTO) was created during the Breton Woods Conference in July 1944. It aims to liberalize trade through negotiations, especially those agreed upon in the Uruguay Round, which came into effect in 1995. One of these negotiations, called the Agreement on Agriculture, aims to reduce domestic support and export subsidies, and also increase market access by reducing tariffs. Besides agriculture, WTO also aims to increase trade in services and intellectual property (e.g.
copyrights, trademarks, and patents) with the General Agreement on Trade in Services (GATS) and Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) respectively. In addition, the Agreement on Technical Barriers to Trade (TBT) ensures that regulations, standards, testing, and certification procedures do not create unnecessary obstacles to trade. The Agreement to Customs Valuation ensures that custom officers assign monetary value to imported goods/services in a neutral and uniform manner. All these agreements function to make international trade as free, fair, and practical as possible.

The Doha Development Agenda (DDA) is the next round of negotiations after the Uruguay Round. It was officially launched in 2001. It aims to continue to facilitate the trade of agricultural and manufactured goods, services, and intellectual property, and to make trade rules fairer to developing nations as well. Unfortunately, negotiations stopped in 2008 because the major developed and developing countries could not agree on agricultural import rules.

To increase trade among nations of the South, the United Nations General Assembly established the Special Unit for South-South Cooperation (SU/SSC) in 1978. South-South Cooperation (SSC) is the collaboration of countries of the South in sharing technical or economic knowledge and skills to promote development. SSC aims to reduce dependence on northern countries’ financial aids and to strengthen economic ties between southern countries. SSC is important because it not only eliminates the undesirable conditions that are associated with northern aids, but it also advances the economy of developing nations in Africa, South Asia, and South America. SSC is considered an ongoing success as it has strengthened the economy of southern nations and transformed India and China, former aid recipients, into donors to other Southern nations.

**Research Questions:**

1. Is this issue a problem in your country/ neighboring countries/ continent?
2. Who and what are the stakeholders of this issue?
3. What are the positions of the various stakeholders on this issue?
4. What strategies/solutions have been attempted?
   a. What have worked? Why?
   b. What have not worked? Why?
   c. What could be improved? Why?
   d. What new need to be introduced? Why?
5. How this problem has/is affecting your country/ neighboring countries/ continent/ world?
6. If this issue is not a problem in your country, then how can they be involved?
   a. Why and why not?
7. What and how can children like you be involved in the prevention and occurrences of the issue?
8. What are some facts, figures, statistics regarding the issue – national, regional, international?

**Summary:**
Although some Southern countries have experienced success in trade, these countries are still trading only a small amount of the total international trade value. Hence, more coordinated efforts need to be given to support and increase international trade, especially among the poorer nations in the South. The Doha Development Agenda needs to be revived as it is a great platform to create negotiations that are more inclusive and fairer to developing nations. Also, South-South cooperation needs to be increased to provide a more sustainable alternative to foreign aids from northern countries. This will strengthen the economies of southern nations, resulting in them having a stronger voice in negotiating trading terms, and international trade would then be more equal to all countries involved.

Reading/Research References:

http://www.polity.co.uk/global/whatisglobalization.asp
http://www.wto.org/index.htm
http://www.globalenvision.org/library/3/1371
http://ssc.undp.org/about-us/
http://www.southsouth.info/page/about-1
Topic II: Promoting Agricultural Development and Food Security

Introduction:

One of the biggest challenges of today's world is food security. According to the Secretary-General of the United Nations, Mr. Ban Ki-moon, food security exists when the world population, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life. However, today, millions of people across the globe do not have access to safe and adequate sources of food which can provide them with much needed nourishment.

The Food and Agriculture Organization and the World Food Program reported in 2009 that, for the first time since 1970 more than one billion people are hungry or undernourished worldwide, in other words, that about one sixth of all of humanity suffers from a lack of food security. Furthermore, the world population will most definitely not stop growing. On the contrary, the natural growth of the world population will demand even more food in the near future.

A very important element of food security is the development of agriculture. How would the world meet its food-related needs if not for agriculture? Nevertheless, the world has long neglected this industry. With lack of adequate programs and policies by national governments as well as the international community, farmers across the world face severe restrictions to operate thus further diminishing the amount of available food.

Background:

Food security has been an issue since the beginning of mankind. Even if it was not referred to by that term, humans have always been concerned with finding better and improved ways to produce food. Agriculture itself was a discovery that allowed man to have a stable source of food rather than subjecting himself to the volatility that represented hunting. It also allowed man to locate himself in a single place instead of moving around chasing the herds of animals which in turn allowed for the further development and specialization of agricultural techniques and agriculture in general.

In more recent times, the idea of food security has become even more present. In 1948, when the Universal Declaration of Human Rights was drafted, Article 25 included the right to food as one of the basic rights every person in the world should have. Conceived as one of the basic elements that an adequate standard of living should have. This move took the idea that humans needed food to live to a whole new level, making it an actual legal right that individuals could claim before governments.

Unfortunately, with developments such as the industrial revolution, agriculture, which has always been a pinnacle in the process of securing food for man, started to become a neglected industry in favor of more advanced forms of businesses. Today, many countries in the world have very deficient agricultural policies to support farmers, whether small or large.
Furthermore, globalization has also contributed in part to the abandonment of agriculture in favor of more profitable businesses. When developed countries with resources to produce cheap food started entering the markets of countries with more deficient technology and higher food prices, local farmers were driven out of business since they could not compete with the cheaper food sold by the developed countries.

Today, the world is facing a critical time in terms of food security. The recent food crisis and economic recession of 2008-2009 have driven millions of people into poverty. According to a 2010 report on food security and agricultural development by the Secretary-General of the United Nations, several factors converged to make 2009 a particularly damaging year for people at risk of food insecurity:

- The food crisis had pushed the prices of basic goods beyond the reach of millions of poor people.
- The price increases forced many poor families to make compromises, such as replacing more nutritious food with food that is less nutritious, selling productive assets, withdrawing children from school, forgoing health care or education, or simply eating less.

Possible Solutions:

The international community currently faces a great challenge to feed millions of people who are food insecure around the world. To this end, efforts have been put in place to address this enormous issue. One of the most ambitious projects of the international community is that of the Millennium Development Goals (MDGs). Back in 2000, the countries of the world committed themselves to certain concrete goals to address the major issues of the planet. The first one of these MDGs establishes that the world has committed itself to eradicate extreme poverty and hunger. The concrete goal is to be able to halve the number of people living in hunger by the year 2015.

This kind of concrete commitments help focus efforts throughout the world and sets specific goals towards which the international community needs to tend. However, it has not been enough. The United Nations itself reports that due to the crisis in 2008-2009, the progress to end hunger in most regions has actually suffered enormous setbacks. Today in various parts of the horn of Africa, for example, thousands of people have died and millions more are at risk due to one of the biggest and most severe food crisis in history. Caused by the worst drought that the region has seen in 60 years and decades of civil conflict, many inhabitants of countries such as Somalia, Kenya and Ethiopia face serious threats to their lives due to shortage of food and the high prices of basic commodities.

The situation in the horn of Africa highlights another important aspect in the fight against food insecurity: climate change. Given how the global climate becomes warmer and warmer every year, agriculture becomes an even harder task. Droughts in Africa and floods in Asia have ruined entire crops reducing the amount of available food.

The countries of the world have taken action on this matter and implemented various mechanisms to combat the effects of climate change. The United Nations...
Convention to Combat Desertification seeks to establish plans of action to combat this phenomenon which greatly affects agriculture and food production. Additionally, the issue of desertification and drought has been included in other important documents such as the Agenda 21 which includes the most pressing environmental issues of the world.

Countries also have to make sure that policies be implemented to help farmers, especially small farmers, develop adequate techniques and other technologies to improve their farming methods. For this purpose, the international community has committed itself to cooperate with each other in sharing knowledge and technology to help developing countries and least developed countries to create programs and policies that will improve their national agricultural industries.

This is in fact one of the most important principles that resulted from the 2009 World Summit on Food Security: it is part of the “twin-track” approach to tackle the problem:
- Direct action to immediately tackle hunger for the most vulnerable
- Medium- and long-term sustainable agricultural, food security, nutrition and rural development programs to eliminate the root causes of hunger and poverty.

This is a task that must be addressed in all levels. Countries need to work on implementing adequate national policies to develop agriculture as well as securing food for their population. International organizations must help coordinate the cooperation among countries as well as create programs and funds themselves to alleviate the problem. The International Fund for Agricultural Development, for example, allocates money and resources to finance agricultural development projects throughout the world, specially benefiting the small farmers and the poor. On the other hand the World Food Program delivers and distributes food to areas and regions struck by different crisis whether man-made, such as wars, or natural disasters, such as droughts and floods.

However, the challenges not only come from the current shortage of food for the current population of our planet. Seeing the rates at which the world population is growing, efforts also need to be put to create long-term solutions which can also feed the people of the future. According to the Food and Agriculture Organization food production will have to increase by 70 percent to feed a population of nine billion people by 2050. That means that means a staggering additional one billion tons of cereals and 200 million tons of meat will need to be produced annually by 2050. In order to intensify food production by that much on our finite Earth, immense effort will have to go into new, better and more intensive ways of producing our food.

Research Questions:

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8. What are some facts, figures, statistics regarding the issue – national, regional, international?

Summary:

Food security and agricultural development are very important issues in today’s and tomorrow’s world. Unless action is taken to secure adequate amounts of food for the population of the world and to improve the defective agricultural system in the world, over one billion people today are at risk of dying.

It is important to develop both short term strategies to alleviate the immediate needs of those suffering starvation around the world. It is also important to develop long-term programs that will help develop the agricultural industry as well as tackle other causes of hunger such as climate change and poverty. In order to succeed in this endeavor, everyone in the world, from States, to international organizations and even the private sector need to come together to develop new ideas and strategies that will successfully secure food for everyone and help eradicate hunger and undernourishment.

Reading/Research References:

http://www.wfp.org/
http://www.fao.org/
http://www.ifad.org/
http://www.un.org/millenniumgoals/